

Exhibit J: Annuity Crediting Rate Requirements

1. Covered Annuity Crediting Rates to Be Set Annually

a. Each Insurer shall at least annually set the Covered Annuity Crediting Rates for each Covered Contract, *except* in the case of (i) interest credited to new deposits or transfers to "Flexible Discovery Plus" annuities issued by Prudential prior to November 6, 1995, and (ii) interest credited to new deposits to "Flexible Discovery" annuities issued by Prudential, Prudential shall not be required by these Annuity Crediting Rate Requirements to reset the interest rate for 3 years from the date that such rate first becomes effective. Prior to setting a Covered Annuity Crediting Rate, the Insurer shall compare the Covered Annuity Crediting Rate that it intends to set (a "Proposed Rate") to the applicable Base Crediting Rate. If the Proposed Rate is less than the Base Crediting Rate, then the Insurer shall adjust the Proposed Rate to a rate not less than the Base Crediting Rate *unless* the Insurer has complied with the requirements of paragraph b. below.

b. An Insurer may implement a Proposed Rate that is below the applicable Base Crediting Rate if, at least 30 days prior to implementing such Proposed Rate, the Insurer has filed with the Commissioner a statement that complies with the requirements set forth in these Annuity Crediting Rate Requirements and the Commissioner has not disapproved the Proposed Rate during the 30 day period following the delivery of such statement. To be effective for purposes of these Annuity Crediting Rate Requirements, such disapproval must be based upon a written finding that (x) such modification or adjustment involves an increase in the Insurer's profit factor derived from interest rate spreads on Covered Account Values and (y) such modification or adjustment (i) is based on actuarial assumptions that are unreasonable or (ii) is otherwise contrary to law.

c. An Insurer may set a Covered Annuity Crediting Rate without complying with these Annuity Crediting Rate Requirements if the Insurer reasonably determines that such compliance would cause it to violate the law of any State or directive of any insurance regulatory authority having jurisdiction over the Insurer.

2. Definitions

Unless otherwise defined in these Annuity Crediting Rate Requirements, capitalized terms have the meanings ascribed to term in the Plan.

"Base Crediting Rate" means, with respect to each product type specified on Schedules J-1 and J-2 of this Exhibit J, the crediting rate produced by application of the base crediting rate formula and factors applicable to each such product type as specified on a schedule filed with the Department prior to the Effective Date. The contents of said schedule shall be considered proprietary information that could result in competitive injury to the Company if disclosed and shall be maintained by the Department as confidential.

"Covered Account Value" means that portion of the account value of a Covered Fixed Annuity, or that portion of the account value held pursuant to the general account option of a Covered Variable Annuity, that is (1) attributable to initial or subsequent deposits or transfers into such annuity that occurred prior to the Effective Date and (2) still within the surrender charge period(s) that applies to such deposits or transfers.

"Covered Annuity Crediting Rate" means the interest rate credited on Covered Account Values.

"Covered Contracts" means Covered Fixed Annuities and Covered Variable Annuities.

"Covered Fixed Annuity" means an individual annuity In Force on the Effective Date that is within the classes of annuities listed on Schedule J-1 to Exhibit J, where the issuing insurer has reserved the right to adjust the crediting rate periodically.

"Covered Variable Annuity" means an individual variable annuity In Force on the Effective Date that is within the classes of annuities listed on Schedule J-2 to Exhibit J, where the contract owner has the right to direct funds to be invested in the general account of the issuing insurer and the issuing insurer has reserved the right to adjust the crediting rate for such funds periodically.

"Department" means the New Jersey Department of Banking and Insurance.

"Insurer" means Prudential, Pruco Life Insurance Company or Pruco Life Insurance Company of New Jersey.

"Proposed Rate" has the meaning set forth in paragraph 1.a of these Annuity Crediting Rate Requirements.

"Prudential" means The Prudential Insurance Company of America.

3. Contents of Filing

An Insurer shall file any statement of its intent to implement a Proposed Rate that is less than the applicable Base Crediting Rate with the Commissioner at least 30 days prior to implementation. Such filing shall include the following information:

- a. an identifying form number(s) to which the Proposed Rate applies;
- b. the proposed implementation date of the Proposed Rate;
- c. a specification of the categories (for example issue dates or dates of deposit) of the contracts to which the Proposed Rate will apply;

- d. A description, for representative categories, of (i) the Covered Annuity Crediting Rate(s) in effect at the time of the filing of the statement, (ii) the Proposed Rate(s), (iii) the applicable Base Crediting Rate(s), (iv) any differences between (i) and (ii), together with a statement as to whether any such differences represent an increase, decrease or no change from the Covered Annuity Crediting Rate(s) in effect as of the time of the filing, as well as a specification of the relative magnitude of any such change, and setting forth the rationale for any Proposed Rate to be less than the Base Crediting Rate;
- e. An actuarial memorandum which shall include a certification by a qualified actuary that the change does not increase the Insurer's profit factor derived from interest rate spreads used in determining the prospective Actuarial Contribution amounts in connection with the distribution of value calculation for the demutualization (the "Profit Factor"), or, if the change does increase such Profit Factor, an explanation of why the Profit Factor should be increased; and
- f. A certificate from a duly authorized officer of the Insurer that the Insurer's board of directors, or officer duly authorized by the board, has approved the Proposed Rate, or other evidence acceptable to the Commissioner of such action.

The actuarial memorandum required pursuant to e. above shall contain a certification from the qualified actuary who prepared it that adjustments are such as to (a) retain or reduce the Profit Factor, or (b) if, in the actuary's judgment, the profit factor for covered contracts should be increased, the actuarial memorandum shall provide all justifications for that increase.

4. Amendments and Termination

The Company may amend or terminate these Annuity Crediting Rate Requirements with the prior approval of the Commissioner, upon such terms and conditions as the Commissioner may approve.

Schedule J-1
Covered Fixed Annuities
The Prudential Insurance Company of America

Policy Form Number

Policy Form Marketing Name

FIP-86

FIP

RAC-89

Flexible Discovery

RAC-93

FDPA-97

Discovery Classic

Schedule J-2
Covered Variable Annuities
The Prudential Insurance Company of America

Policy Form Number

Policy Form Marketing Name

QVIP-84

VIP

VIP-84

VIP-86

WVA-83

WVQ-83

VAC-89

Flexible Discovery Plus

VAC-93